What is claimed is:

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1. A method of diminishing or abrogating SMAD activity comprising the step of contacting a cell with an agent that stimulates or enhances TAK1 expression, wherein TAK1 interacts with an MH2 domain of a SMAD protein, thereby diminishing or abrogating SMAD activity.

- 2. A method of stimulating or enhancing SMAD activity comprising the step of contacting a cell with an agent that diminishes or abrogates TAK1 interaction with an MH2 domain of a SMAD protein, thereby stimulating or enhancing SMAD activity.
 - 3. The method of claim 2, wherein said agent competes for endogenous TAK1.
- 15 4. The method of claim 2, wherein said agent is a nucleic acid.
 - 5. The method of claim 4, wherein said nucleic acid corresponds to or is at least 70 % homologous to SEQ ID No: 1 or SEQ ID No: 2.
- 6. The method of claim 2 wherein diminution or abrogation of TAK1 interaction with said MH2 domain of a SMAD protein is effected via diminishing or abrogating TAK1 expression or activity.
- 7. A method of stimulating or enhancing BMP-mediated SMAD activity comprising the step of contacting a cell with an agent that diminishes or abrogates TAK1 expression or function.
 - 8. The method of claim 7, wherein said agent functions to prevent TAK1 interaction with a SMAD MH2 domain.
 - 9. The method of claim 7, wherein said agent competes for endogenous TAK1.

- 10. The method of claim 7, wherein said agent is a nucleic acid.
- 11. The method of claim 10, wherein said nucleic acid corresponds to or is at least 70 % homologous to SEQ ID Nos: 1 or 2.

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12. The method of claim 10, wherein said nucleic acid is expressed from an expression vector.

- 13. A method of diminishing or abrogating BMP-mediated SMAD activity comprising the steps of contacting a cell with an agent that stimulates or enhances TAK1 expression 10 or function.
 - 14. The method of claim 13, wherein said agent functions to facilitate or enhance TAK1 interaction with a SMAD MH2 domain.

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- 15. The method of claim 13, wherein said agent is a nucleic acid.
- 16. The method of claim 15, wherein said nucleic acid is expressed from an expression vector.

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17. The method of claim 13 wherein said SMAD activity is mediated via BMP-2.

18. A method of enhancing osteogenesis in a subject in need, comprising the steps of contacting a cell with osteogenic potential in said subject with an agent that mitigates or abrogates TAK1 expression or function, thereby enhancing osteogenesis in said subject.

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- 19. The method of claim 18, wherein said agent mitigates or abrogates TAK1 expression or function following TAK1 activation by proinflammatory cytokines.
- 20. The method of claim 19, wherein said proinflammatory cytokines are IL-1 or TNFalpha.

21. The method of claim 18, wherein said agent competes for endogenous TAK1.

- 22. The method of claim 18, wherein said agent is a nucleic acid.
- 5 23. The method of claim 18, wherein said nucleic acid corresponds to or is at least 70 % homologous to SEQ ID Nos: 1 or 2.
 - 24. The method of claim 18, wherein said cell with osteogenic potential is a mesenchymal stem cell, a progenitor cell, an osteoblast, or any cell capable of differentiating into an osteoblast.
 - 25. The method of claim 18, wherein said cell with osteogenic potential is at a site of inflammation in said subject.
- 26. The method of claim 18, wherein said subject suffers from inflammation-mediated bone loss.
 - 27. The method of claim 25, wherein said subject suffers from periodontal disease, osteoarthritis, Köhler's bone disease, rheumatoid arthritis or osteoporosis.
 - 28. A method of enhancing osteogenesis in a subject in need, comprising the steps of:
 - (i) genetically engineering a cell with osteogenic potential to be deficient in TAK1 expression or function; and
 - (ii) administering said engineered cell to said subject in need;

thereby enhancing osteogenesis in said subject.

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- 29. The method of claim 28, wherein said cell is further engineered to express a growth factor for stimulating or enhancing osteogenesis.
 - 30. The method of claim 28, wherein said growth factor is a bone morphogenic protein.

31. The method of claim 28, wherein said cell is further engineered to express a product that competes for endogenous TAK1.

5 32. The method of claim 28, wherein said product prevents TAK1 expression.

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- 33. The method of claim 28, wherein said product prevents TAK1 kinase activity.
- 34. The method of claim 28, wherein said cell is genetically manipulated via the introduction of a nucleic acid corresponding to or at least 70 % homologous to SEQ ID Nos: 1 or 2.
 - 35. The method of claim 28, wherein said cell with osteogenic potential is a mesenchymal stem cell, a progenitor cell, an osteoblast, or any cell capable of differentiating into an osteoblast.
 - 36. The method of claim 28, wherein said cell with osteogenic potential is loaded on a scaffolding material, prior to administering said cell to said subject in need.
- 20 37. The method of claim 28, wherein said cell is administered to a site of inflammation in said subject.
 - 38. The method of claim 28, wherein said subject suffers from inflammation-mediated bone loss.
 - 39. The method of claim 28, wherein said subject suffers from periodontal disease, osteoarthritis, Köhler's bone disease, rheumatoid arthritis or osteoporosis.
- 40. A method of enhancing bone repair in a body of a subject in need comprising the steps of contacting a cell with osteogenic potential in said subject with an agent that mitigates or abrogates TAK1 expression or function, thereby enhancing bone repair in a body of said subject.

41. The method of claim 40, wherein said agent mitigates or abrogates TAK1 expression or function following TAK1 activation by proinflammatory cytokines.

- 42. The method of claim 41, wherein said proinflammatory cytokines are IL-1 or TNF-alpha.
 - 43. The method of claim 40, wherein said agent competes for endogenous TAK1.
- 10 44. The method of claim 40, wherein said agent is a nucleic acid.
 - 45. The method of claim 40, wherein said nucleic acid corresponds to or is at least 70 % homologous to SEQ ID Nos: 1 or 2.
- 46. The method of claim 40, wherein said cell with osteogenic potential is a mesenchymal stem cell, a progenitor cell, an osteoblast, or any cell capable of differentiating into an osteoblast.
- 47. The method of claim 40, wherein said cell with osteogenic potential is at a site of inflammation in said subject.
 - 48. The method of claim 40, wherein said subject suffers from inflammation-mediated bone loss.
- 49. The method of claim 48, wherein said subject suffers from periodontal disease, osteoarthritis, Köhler's bone disease, rheumatoid arthritis or osteoporosis.
 - 50. A method of enhancing bone repair in a subject in need, comprising the steps of:

- (i) genetically engineering a cell with osteogenic potential to be deficient in TAK1 expression or function; and
- (ii) administering said engineered cell to said subject in need;

thereby enhancing bone repair in said subject.

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51. The method of claim 50, wherein said cell is isolated from the body of said subject in need, prior to genetic engineering.

- 52. The method of claim 50, wherein said cell is further engineered to express a growth factor for stimulating or enhancing osteogenesis.
- 53. The method of claim 52, wherein said growth factor is a bone morphogenic protein.
 - 54. The method of claim 50, wherein said cell is further engineered to express a product that competes for endogenous TAK1.
- 55. The method of claim 50, wherein said product prevents TAK1 expression.
 - 56. The method of claim 50, wherein said product prevents TAK1 kinase activity.
- 57. The method of claim 50, wherein said cell is genetically manipulated via the introduction of a nucleic acid corresponding to or at least 70 % homologous to SEQ ID Nos: 1 or 2, or a fragment thereof.
 - 58. The method of claim 50, wherein said cell with osteogenic potential is a mesenchymal stem cell, a progenitor cell, an osteoblast, or any cell capable of differentiating into an osteoblast.
 - 59. The method of claim 50, wherein said cell with osteogenic potential is loaded on a scaffolding material, prior to administering said cell to said subject in need.
- 60. The method of claim 50, wherein said cell is administered to a site of inflammation in said subject.

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61. The method of claim 50, wherein said subject suffers from inflammation-mediated bone loss.

- 62. The method of claim 50, wherein said subject suffers from periodontal disease, osteoarthritis, Köhler's bone disease, rheumatoid arthritis or osteoporosis.
- 63. A method of suppressing osteogenesis in a subject in need, comprising the steps of contacting a cell with osteogenic potential in said subject with an agent that stimulates or enhances TAK1 expression or function, thereby suppressing osteogenesis in said subject.
- 64. The method of claim 63, wherein said cell with osteogenic potential is a mesenchymal stem cell, a progenitor cell, an osteoblast, or any cell capable of differentiating into an osteoblast.
- 65. The method of claim 63, wherein said cell with osteogenic potential is at a site of lung injury or persistent infection.
 - 66. A method for the identification of candidate gene products involved in downstream events in BMP-mediated SMAD activity resulting in osteogenesis, comprising:
 - (i) introducing an agent that inhibits or abrogates TAK1 binding to SMAD MH2 domains into a cell with osteogenic potential;
 - (ii) culturing a cell with osteogenic potential as in (a), without said agent;
 - (iii) separately harvesting RNA from each cell following stimulation of BMP-mediated SMAD activity; and
 - (iv) assessing differential gene expression,

wherein differentially expressed genes in (a) as compared to (b) indicates that the gene is involved in downstream events in BMP-mediated SMAD-signaling resulting in osteogenesis.

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67. A method for the identification of an agent involved in stimulating or enhancing osteogenesis, comprising:

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- (a) Contacting a cell with osteogenic potential with an agent thought to inhibit or abrogate TAK1 interaction with SMAD MH2 domains;
- (b) culturing said cell with osteogenic potential under conditions facilitating TAK1-SMAD MH2 interaction; and
- (c) determining whether said agent altered said TAK1-SMAD MH2 interaction,

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wherein altered TAK1-SMAD MH2 interaction as a result of contact with said agent produces stimulated or enhanced osteogenesis; thereby identifying an agent involved in stimulating or enhancing osteogenesis.

- 68. An isolated nucleic acid, wherein said nucleic acid is as set forth in SEQ ID Nos. 1 or 2.
 - 69. The isolated nucleic acid of claim 68, wherein said nucleic acid is at least 70 % homologous to SEQ ID Nos: 1 or 2.

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- 70. A vector comprising the isolated nucleic acid of claim 68.
- 71. The vector of claim 70, further comprising a promoter for regulating transcription of the isolated nucleic acid in sense or antisense orientation.

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- 72. The vector of claim 70, further comprising positive and/or negative selection markers for selecting for homologous recombination events.
- 73. A host cell or animal comprising the vector of claim 70.

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74. The host cell of claim 73, wherein said cell is prokaryotic or eukaryotic.

75. The host cell of claim 73, wherein said cell is a mesenchymal stem cell, a progenitor cell, an osteoblast, or any cell capable of differentiating into an osteoblast.

- 76. An isolated nucleic acid sequence, wherein said nucleic acid sequence is antisense to the nucleic acid sequence as set forth in SEQ ID Nos: 1 or 2, or a fragment thereof.
- 77. A vector comprising the isolated nucleic acid of claim 76.

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- 78. The vector of claim 77, further comprising a promoter for regulating transcription of the isolated nucleic acid, and/or further comprising positive and/or negative selection markers for selecting for homologous recombination events.
 - 79. A host cell or animal comprising the vector of claim 77.
- 15 80. The host cell of claim 79, wherein said cell is prokaryotic or eukaryotic.
 - 81. The host cell of claim 79, wherein said cell is a mesenchymal stem cell, a progenitor cell, an osteoblast, or any cell capable of differentiating into an osteoblast.
- 82. An oligonucleotide of at least 12 bases specifically hybridizable with the isolated nucleic acid of SEQ ID Nos: 1 or 2.
 - 83. The oligonucleotide of claim 82, wherein said oligonucleotide is in either sense or antisense orientation.
 - 84. The oligonucleotide of claim 82, wherein said oligonucleotide is either single or double-stranded.
- 85. The oligonucleotide of claim 82, wherein said oligonucleotide corresponds to, or is at least 70 % homologous to SEQ ID Nos: 3 or 4.
 - 86. A composition comprising the oligonucleotide of claim 82.